

Money



Campaigning Takes Money

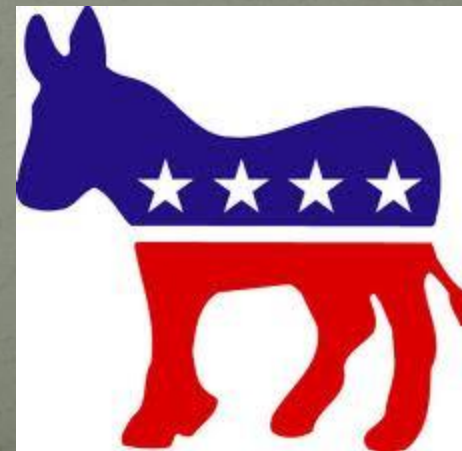
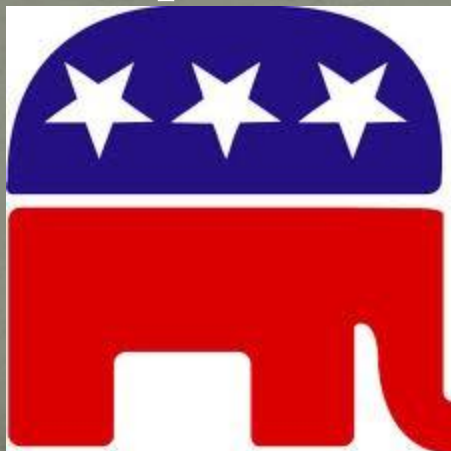
- Where does campaign money come from?
- What rules govern how it is raised and spent?
- What has been the effect of campaign finance reform?
- What does campaign spending buy?



Sources of campaign money

Comes from:

- Candidates
- Federal government
- Individual donors
- PAC's (political action committees)
- Political parties



Sources of campaign money

Presidential

- Private donors
- Federal government(matching funds of all individual donors of \$250 or less)

Congressional

- Strictly private

Political parties

- Lump sum grant from fed gov
- Fed gov pays the cost of each candidate in general election up to a set limit

Sources of campaign money

- Some candidates raise funds by hiring celebrities to host events
- PAC's aren't big contributors
- Most money comes from individuals
- Candidate is eligible for Fed money if he/she has raised at least \$5000 in each of twenty states

Campaign Finance Rules

- Individual donors can't give more than \$2000 to a candidate
- No cash contributions over \$100
- PAC's can't give \$5000 to a candidate, or \$15000 to a national political party
- To be eligible for fed money, a presidential candidate must have raised \$5000 in each of twenty states

Campaign Finance Rules

Campaign Finance Law

- Watergate was a catalyst for it
- Individuals could give no more than \$1000
- Created PAC's
 - Could give no more than \$5000 to one candidate
 - Could give no more than \$15000 to one party
 - Had to have less than 50 members
 - Must give to at least 5 candidates

Second Finance Law(Bipartisan Campaign Finance Reform Act of 2002)

- Banned soft money
- Raised the limit an individual could give to \$2000
- Restricted Individual expenditures
- Was brought to the Supreme Court on issues of free speech- Supreme Court ruled in favor of the law
- Shifted influence to media

New Sources of Money

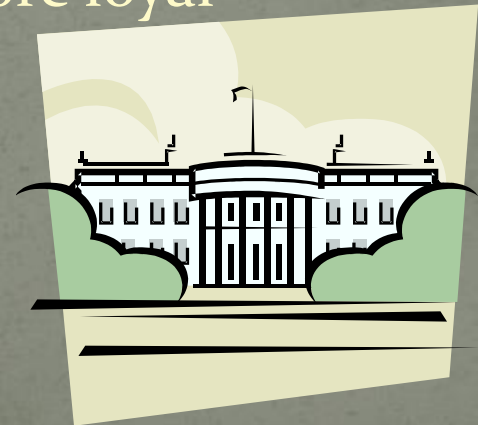
527 organizations

- Organizations that raise/spend money to advance a political cause
- Can't coordinate with a candidate

Money and Winning

Presidential

- Usually isn't decided by money because the federal government finances it
- Deciding factors for president are
 - Party affiliation, most Americans identify themselves as Democrats, but Republicans are more loyal
 - The state of the economy
 - The candidates' character
 - Is decided by pocketbook vote



Money and Winning

Congressional

- Incumbents usually do better off than challengers because of:
 - Free mail
 - Easier to advertise
 - Already have name recognition



Money and Winning

- Usually the more a candidate spends, the better off he/she does
- If things are going well, voters tend to reelect
- if things are going poorly, voters tend to elect different representatives
- Voters like candidates who are honest, reliable, an effective speaker, and agrees on the same issues as they do